



INTERNATIONAL  
**T R A D E**  
ADMINISTRATION

## Asia/Pacific: Tariffs and Taxes on Computer Hardware and Software

**This document was originally prepared in October 2004 and was last updated in September 2009.**

--While we have made the best attempt to list all tariffs and taxes, this list may not be exhaustive. Because tariffs and tax rates are subject to change, please contact the Department of Commerce's Trade Information Center at 1-800-USA-TRADE for the most-up-to-date information on rates in Asia.

--Companies should only use this table as a guide to expected charges; in all cases it is prudent to work with a customs broker/freight forwarder for more accurate information. It is also advisable to check with Customs officials in the country to which you are exporting, and if necessary, to get a binding decision in writing prior to shipment.

--This document is intended for use by U.S. companies; other duties and charges may apply for non-U.S. companies.

--The rates listed on this page do not apply to software transmitted electronically.

--Some countries have additional information on customs procedures for IT products (and services) imports, including those related to electronically transmitted software. If the country name is hyperlinked, click for additional information.

(A)  Country	(B)  Tariff on Computer Hardware (HS 8471)	(C)  Tariff on Computer Parts (HS 8473.30)	(D) Tariff on Computer Software (HS 8523 <sup>2</sup> ) M C U <sup>3</sup>	(E)  Tariff on Manuals (HS 4901)	(F)  Withholding Taxes on Software Royalties	(G)  Other Taxes <sup>7</sup>	(H)  Date Updated
<a href="#">Australia</a> <sup>1</sup>	0%	0%	0%	0%	5% <sup>4</sup>	10% goods and services tax (GST) applied on FOB value + duty	06/2009
<a href="#">China</a> <sup>1</sup>	0%	0%	0%	0%	10% <sup>4</sup>	17% VAT on hardware and software; 13% VAT on manuals; all taxes applied on CIF value.  An import license is no longer required for foreign software products. However, they need to be tested and registered with the China Software Industry Association ( <a href="http://www.csia.org.cn">www.csia.org.cn</a> )	06/2009
<a href="#">Hong Kong</a> <sup>1</sup>	0%	0%	0%	0%	Exempt <sup>5</sup>	At the time of lodging imports declaration, importers are required to pay import declaration at the following rate:  For non-food items-HK\$50 cents in respect of the first HK\$46,000 of the value of the goods and HK\$25 cents in respect of each additional HK\$1,000 or part thereof and rounded up to the nearest 10 cents.	06/2009

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<a href="#">India</a> <sup>1</sup>	0% (computers) 0% (peripherals)	16.85%	0%	0%	15% <sup>4</sup> Reduced to 10% under domestic tax laws for new agreements	An Excise Duty and a Countervailing Duty (CVD equivalent to the rate of the Excise Duty levied on imports) are levied centrally (by the union or the Federal Government); current rate on computers is 8%. The Central Government is still considering how to classify software and expects to render a decision in the near future on whether to tax it as a good at 8% or a service at 10%.  Other local taxes, such as sales taxes, are levied by India's 29 states at a particular state's announced rate. Typically, most Indian states levy sales tax on It products at 4%.  A Income Tax of 10% is levied in lieu of Custom Duty for Software imported into the country	06/2009
<a href="#">Indonesia</a> <sup>1</sup>	0%	0%	0%	0%	15% <sup>4</sup>	10% VAT applied on CIF value	06/2009

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<a href="#">Japan</a> <sup>1</sup>	0%	0%	0%	0%	0% <sup>4</sup>	5% consumption tax	06/2009
<a href="#">Korea</a> <sup>1</sup>	0%	0%	0%	0%	15% <sup>4</sup>	10% VAT applied on CIF value	06/2009
<a href="#">Malaysia</a> <sup>1</sup>	0%	0%	0%	0%	10%	Computers are exempt from 10% domestic sales tax	06/2009
<b>Mongolia</b>	5%	5%	5%(U)	5%	Unknown <sup>6</sup>	15% VAT applied on CIF value + duty	10/2004
<b>New Zealand</b> <sup>1</sup>	0%	0%	HS8524 entries are now amalgamated with HS8523. Most products categorized under HS8523 are free of duty except for some video tapes and some Smart Cards.	0%	15% <sup>4</sup>	12.5 % goods and services tax (GST) applied on CIF value + duty	06/2009
<a href="#">Pakistan</a>	10%	5%	0%	15-55%	0% <sup>4</sup>	6% advance income tax (a withholding tax) on software imports; 15% General Sales Tax (GST) on hardware (software is exempt from the GST); 5% IARA; 1% landing charges applied on CIF value	10/2004

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<a href="#">Philippines</a> <sup>1</sup>	0%	0%	0%	5%	See memo <sup>4</sup>	12% VAT based on total landed cost; customs duties	06/2009
<a href="#">Singapore</a> <sup>1</sup>	0%	0%	0%	0%	10%, but certain kinds of software are exempt	7% goods and services tax (GST) applied on CIF value	06/2009
<b>Sri Lanka</b>	0%	0%	0%	0%	Unknown <sup>6</sup>	12.5% goods and services tax (GST) and 6.5% National Security Levy applied on CIF value of computer systems	10/2004
<a href="#">Taiwan</a> <sup>1</sup>	0%	0%	0%	0%	20%	5% VAT; Port dues; all taxes applied on the CIF value + duty	6/2009
<a href="#">Thailand</a> <sup>1</sup>	0%	0%	0%	0%	15%	7% VAT	07/2009
<a href="#">Vietnam</a>	6%	3%	N/A%	0-5% Depending on specific types of manuals and weight.	Unknown <sup>6</sup>	5% VAT	06/2009

<sup>1</sup> This country is a member of the Information Technology Agreement. Visit: [http://www.wto.org/english/tratop\\_e/inftec\\_e/inftec\\_e.htm](http://www.wto.org/english/tratop_e/inftec_e/inftec_e.htm) for more information.

<sup>2</sup> Depending on the underlying medium on which it is presented, computer software is classified in one of the following five 10-digit HS numbers: 8523.29.2000, 8523.40.2010, 8523.40.2020, 8523.40.4000, 8523.40.5000

3 Indicates whether the country applies tariff solely to the value of the underlying medium (M), content/full value of software (C), or if method is unknown (U). For information on software valuation, visit our FAQs about Exporting IT Products and Services and click “valuation method and values”:

<http://web.ita.doc.gov/ITI/itiHome.nsf/70bb50d8364b26c085256dc600589a24/8c503f6c29b8adae85256cda0055c680?OpenDocument>.

4 This withholding tax rate reflects a bilateral tax treaty with the United States.

5 Software sales in this country are exempt from withholding tax and are subject to tax only in the United States.

6 This country does not have a bilateral tax treaty with the United States and there is no confirmed withholding tax rate available. For more information on the possible tax obligations please contact the country’s embassy. Visit: <http://www.embassy.org/> for embassy contacts.

7 Sales taxes are based on a percentage of a predetermined value, if the value on which the tax is applied is known it is indicated. Generally, either the “Cost + Insurance + Freight” value (CIF) or the “Free-On-Board” value (FOB) of the shipment is used to determine the tax obligation. For further information visit the Trade Information Center on Export.gov: <http://www.export.gov/exportbasics/ticredirect.asp>